

#12  
OFFICIAL 8/22/03  
mul**MAUREEN STRETCH****ATTORNEY AT LAW**

26 Charles Street

Natick, MA 01760

508-653-8143 • Fax: 508-651-9932

e-mail: mstretch@sprintmail.com

**FAX COVER SHEET****To: Director****Of: US Patent and Trademark Office****FAX NUMBER TRANSMITTED TO: 703-746-7048****Attn: Examiner Diaz****Attorney Docket Number: ET00-007CIP, Application serial Number: 09/702,049****From: Maureen Stretch, Attorney at Law****Client/Matter: Whitelight Technology, LLC, Jeff Conklin****Date: August 20, 2003****DOCUMENTS:****NUMBER OF PAGES**

(not counting this cover sheet)

1.	Supplemental Formal Response	12
2.	Information Disclosure Statement with attached documents	7
3.		
4.		

**COMMENTS:**

- ✓ Original will not follow  
 Original will follow by: US mail  
 Please call upon receipt  
 Response needed by:  
 For your approval/suggestions

The information contained in this facsimile message is information protected by attorney-client and/or the attorney/work product privilege. It is intended only for the use of the individual named above and the privileges are not waived by virtue of this having been sent by facsimile. If the person actually receiving this facsimile or any other reader of the facsimile is not the named recipient or the employee or agent responsible to deliver it to the named recipient, any use, dissemination, distribution or copying of the communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and return the original message to us at the above address via U.S. Postal Service.

\* IF YOU DO NOT RECEIVE ALL PAGES, PLEASE TELEPHONE US IMMEDIATELY AT 508-653-8143

CONFIDENTIALITY APPLIES IF THIS BOX IS CHECKED: ☒

Attorney Docket Number ET00-007CIP

PATENT

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re: the Application of: William Flanagan et al  
Filed: 10/30/00  
Serial No.: 09/702,049  
Examiner: Meinecke Diaz, Susanna M.  
Group Art Unit: 3623  
For: System and Method for Automated, Iterative  
Development Negotiations  
Docket No: ET00-007CIP

OFFICIAL

## RESPONSE TO OFFICIAL ACTION

Director of the US Patent and Trademark Office  
PO Box 1450  
Alexandria, VA, 22313-1450

Dear Sir:

Enclosed please find a supplemental response for the above-identified application in response to the official action mailed 12/16/02.

## Certificate of Facsimile Transmission

I hereby certify that this document is being sent to the United States Patent Office by facsimile transmission on the date shown below.

Date: August 20, 2003

*Maureen Stretch*  
Maureen Stretch,  
Reg. No. 29,447  
26 Charles Street  
Natick, MA 01760

Tel. 508 653-8143

Remarks:

In telephone discussions with the Examiner, it was requested that applicants clarify the apparatus claims to indicate that the software executes on a processor. It was also requested that applicants' clarify how applicants' invention differs from redlining and from the Kennedy reference cited.

Applicants have agreed to Examiner's amendments to the apparatus claims to include a processor to clarify and more distinctly point out and claim applicant's invention, but

Attorney Docket Number ET00-007CIP

PATENT

not to overcome any prior art. The amendments made incorporate terms of description and not of limitation

Applicants respectfully submit that the distinction between applicants' invention and ~~redlining~~ was addressed in applicants' parent applications. In the excerpts below, applicants have indicated in bold face type in brackets where the cited portions of the parent specification are found in the current pending application **[bold face in brackets in the current pending application]**. In the parent cases it was noted that:

For the phrase "automated negotiations engine" support is found in the specification at Page 60, lines 9-20, Page 61 lines 1-18, and Page 62, lines 1-18, **[Page 66, lines 5-18, and Page 67, lines 1-16]** where the processing steps of the automated negotiations engine are described. On Page 62, lines 11-16 **[Page 67, lines 9-14]**, for example, state:

Whether or not a concluding document is requested, the system automatically displays the changes so they can be easily seen and the present invention also checks to see whether a state change is needed at Step 212-16. If a state change is needed it is initiated at step 212-20. Depending on the community, the participants, and the transactions involved, state changes could be as simple as payment authorizations sent electronically or as complex as multi-step processes desired by the participants. [Emphasis added]

Also, as noted in the specification at page 52, lines 14-18 and Page 53, lines 1-4 **[Page 57, lines 3-12]**:

Next, in Figure 1L, network functions 207 of the present invention are shown. As mentioned above, most of the functions of multivariate negotiations engine 212 are actually implemented as part of Webserver software 210s. As data is sent to and from the Internet 04 by Webserver 210W, Webserver software 210s interprets the TCP-IP protocol and transfers the contents to multivariate negotiations engine 212's Webserver and dynamic HTML functions 207-02. In one embodiment, these functions cause dynamic HTML text to be created to implement and communicate with the other functions of the present invention. Those skilled in the art will appreciate that Java, Java scripting, XML, or any of a number of other languages could also be used for such communications. [Emphasis added]

Thus, it can be seen from these and other portions of the specification, amending the claims to clarify that the negotiations engine is an automated negotiations engine has ample support in the specification as filed. It is implemented in computer software which is executed as part of Webserver software in the example referenced above.

Attorney Docket Number ET00-007CIP

PATENT

Support for the phrase "analyzing terms, the analysis of terms comprising understanding their purpose, formatting the terms according to the purpose and placing them into user supplied context for use by a user" is found in the specification at Page 86, lines 15-19 and Page 87, lines 1-4 [Page 92, lines 16-18 and Page 93, lines 1-6]:

For example, and still in Figure 5a, if a buyer participant 08 wishes to place a proposed order, the browser encrypts it at the browser's secure socket layer and webserver 210s decrypts the proposed order upon receipt at multivariate negotiations engine 02's site. Webserver 210s next analyzes the proposed order to understand it and formats into a request sent to database functions 222. In addition to basic read and write functions, database functions 222 shown in Figure 5a, include operations such as search, analyze, compare, report, sort and relate (between databases.) Formatting can be as simple as "user = username" etc. A request such as "find user=username, return catalog" might be sent through IP firewall 203f. [Emphasis added]

User supplied context, which can be defined as a number of interrelated variable terms or items as noted in the specification at page 44, lines 19 and 20 [Page 48, lines 18-19 and Page 49, line 1], for example, includes rules supplied by a sponsor, terms and conditions supplied by a seller, terms supplied by a buyer, etc., as shown in more detail below.

An example of "user supplied context" is found in the specification at Page 65, lines 7 -12 [Page 70, lines 8-13], where the user is a buyer:

Now referring to Figure 15b, a typical proposal form for a buyer is shown. As seen here, the buyer identifies himself, his title, his company, and the company's location at lines 332-342. At lines 344-350 information about the buyer's designated freight forwarder is given. At line 350, document presentation terms are specified, as well as at line 352, 354, 358 and so on, the detailed terms of the buyer's preferences for shipment. [Emphasis added]

Another example of "User supplied context" is found in the specification at page 45, lines 6-9 [Page 49, lines 7-10], where the user is a sponsor:

The sponsoring standards body establishes the community, proposes initial standards, sets the rules for negotiations, encourages and monitors negotiations, and concludes with a finally agreed upon set of standards, with each step of each negotiation that occurred along the way archived. [Emphasis added]

Still another example of "User supplied context" is seen in the specification at Page 49, lines 6-15 [Page 53, lines 11-17 and Page 54, lines 1-3], where the user is a seller:

Attorney Docket Number ET00-007CIP

PATENT

Now turning to Figure 1g, the present invention can be viewed as a series of interrelated processes as shown here. For a commercial community, there are seller processes, sponsor processes and buyer processes. Remote authoring 50, is a seller process which enables a registered seller in the community to create a seller Website within the community on which to include the seller's marketing and product information, along with pricing, terms, service offerings and so on. Information generated or created in this remote authoring process 50 is automatically integrated with the community databases and listings. Promotion and brand identifying actions (such as registering the Web page with search engines) are taken automatically on behalf of the seller as well. [Emphasis added]

Support for the phrases "recognizing any changes in the terms" and "the automated negotiations engine indicating any changes" is found in the specification at Page 62, lines 1-3 [Page 66 lines 17-18 and Page 67line 1]:

Multivariate negotiations engine 212 keeps track of each set of changes and can display them so that the changes proposed at each step of the negotiations are clearly and accurately recorded. [Emphasis added]

US Patent No. 5,692,206, to Shirley et al (Shirley) was brought to applicants' attention as potentially rendering obvious applicants' invention's negotiations engine and indication of changes as part of a negotiations process. Applicants respectfully disagree. Shirley describes a document generation system which helps a user create a document for use in a negotiation, but it does not automate the negotiations process. (See Col 2, lines 11-45 in which it is clear that Shirley describes a system of libraries of standard terms from which a user can manually select one or more provisions.) Shirley discloses a "negotiating database" which is not an automated negotiations engine but simply a file or database for holding "one or more corporate suggestions 442 and one or more user notes 444." Col 5, lines 49-51. In Col. 7, lines 14-40, it is clear that Shirley describes a system in which the user selects from a library of standard contract provisions those provisions the user wants to incorporate into his or her contract proposal. This is not a negotiations process, but simply a way to create a proposed contract document that one party might send to another by regular mail, fax, or e-mail. It teaches away from applicants' invention by focusing on word-processing-like document assembly techniques, not on negotiation processes.

Finally, Shirley does not teach, disclose or render obvious an automated negotiations engine for indicating changes in the proposed terms. Instead, it teaches away from this as well, by teaching a redlining feature in which "the user creates one or more redline documents 218." Col. 7, lines 61-62. The user selects two text versions of a document for comparison and, as disclosed at Col. 11, lines 46-58:

If, at the decision block 702, the user selects a redline function, the system controller 102 branches to a process block 718. At the process block 718, the system controller 102 activates the redline unit 120. The redline

**Attorney Docket Number ET00-007CIP****PATENT**

unit 120 prompts the user to select to [sic] files to be compared. A redline comparison is typically done between a current document and either a corresponding standard document or a previous revision of the same document. The redline unit 120 generates a new file that specifies the differences between the two files selected by the user, without affecting the selected files. The redline unit 120 may be implemented, for example [sic] a redlining program such as CompareRite. [Emphasis added]

Redlining, as described above, is a text comparison of two documents. Changes in the text are underlined, usually in red, or "redlined." The program that does the redlining does not analyze the changes in any way, or prompt actions as a result of them.

Applicants' invention, by contrast, during the negotiations process, provides an automated negotiations engine that analyzes terms by understanding their purpose, formats them according to their purpose, and places them in a user supplied context for use by a user. The automated negotiations engine also recognizes changes in the terms and indicates what has changed. It can also prompt for additional information as a result of a change. For example, if a shipping term such as Ex Works, has changed to Deliver Duty Free, the automated negotiations engine system of applicants' invention knows what additional information to request from the user, such as the name of the user's freight forwarder, and will format requests for that information.

Support for this is found in applicants specification at Page 86, lines 15-19 and Page 87, lines 1-4 [Page 92, lines 16-18 and Page 93, lines 1-6], as referenced above, as well as in Figure 15 C-1 and Figure 15 C-2.

Applicants respectfully submit that the above clarifications apply to the present application as well. Unlike redlining, applicants' invention analyzes terms, the analysis of terms comprising understanding their purpose, formatting the terms according to the purpose and placing them into user supplied context for use by a user. As shown above, user supplied context refers to the fact that users of applicants' invention can supply the context for one or more negotiations. In the illustrative examples shown in the specification and the drawings, user supplied context has included, among other things: community rules; standards; buyer's terms; seller's terms; sponsor, seller, and buyer processes; application programming interfaces; templates; administrative

**Attorney Docket Number ET00-007CIP****PATENT**

information; product information; procedures; text, image and sound files; deciding entities, and numerous other items, according to the kind of negotiation and the kinds of users involved. Non-commercial users may supply very different types of user supplied context as shown in the parent application at Page 61, lines 2-6 [Page 65, line 18 and Page 66, lines 1-4].

In the discussion with the Examiner, applicants were also asked to clarify the distinctions between applicants' invention and that which is claimed and disclosed in US Patent. No. 6,055,519 issued to Kennedy et al on April 25, 2000, entitled "Framework for Negotiation and Tracking of Sale of Goods ("Kennedy").

Applicants respectfully submit that Kennedy does not disclose, claim, nor render obvious an automated negotiations system for processing negotiations. The Kennedy system does not process negotiations, but stores data representing the current state of a negotiation, to allow the user to monitor the state of a negotiation. This is stated in the Abstract as follows:

A computer implemented system and process are provided for negotiation and tracking of sale of goods. In this system and process, a negotiation engine (16) operates to store data representing a current state (18) of a negotiation between a seller and buyer. The negotiation engine (16) stores the data within a framework for representing aspects of the negotiation between the seller and buyer. The framework includes a request object, a promise object and an acceptance object that can store a current description of a contract. The framework also includes a set of one or more delivery deals determined by the contract. Each delivery deal can have a delivery request object, a delivery promise object, and a delivery acceptance object that can store associated item deals and time periods for delivery of item deals. Each item deal can have an item request object, an item promise object, and an item acceptance object that can store individual sales-order line-items. The negotiation engine (16) thereby allows a user to monitor the current state of the negotiation ...

Attorney Docket Number ET00-007CIP

PATENT

This is also clear from the following text in the description of the Kennedy patent at

Col. 4, lines 4-17:

Buyer 14 can have a negotiation client 22 that communicates with negotiation engine 16 across a network communication layer. Negotiation client 22 can comprise a software application executed by a computer system and allows buyer 14 to query current state 18. Negotiation client 22 can be used to communicate requests and acceptances from buyer 14 to seller 12, and negotiation engine 16 can be used to communicate promises from seller 12 to buyer 14. The request, promise and acceptance information can also be communicated through other means such as by fax, phone, etc. According to the present invention, negotiation engine 16 provides a framework for maintaining current state 18 to reduce or eliminate any confusion about the status of the negotiation and relevant terms. [Emphasis added]

Essentially, Kennedy stores data objects of limited types which represent a request, a promise or an acceptance. Since the data stored in the objects could have been communicated by fax or telephone, it is clear that Kennedy is simply storing the data, not processing a negotiation. The Kennedy "negotiation engine" stores these objects, and as will be seen below, uses the time stamps associated with each to determine the status of the "negotiation".

This state monitoring is described at Col. 5, lines 50-57 as follows:

In the present invention, the state that a negotiation is in can be determined, for example, from the relative values of four time stamps: the date that the most recent request was issued, the date that the most recent promise was offered, the date that the most recent acceptance was made, and the most recent date that the request was queued. If there is only a request issued date, then the negotiation can be identified as being in state 32. [Emphasis added].

Kennedy also states at Col. 4, lines 26-35:

In the embodiment of FIG. 2, the negotiation can move through twelve states. There are essentially five kinds of changes that can be made to cause state transitions: the buyer can issue a new request (R), the seller can offer a new promise (P), the buyer can queue a request (Q), the buyer can accept a promise (A), or the buyer can delete or withdraw a request (D). All five changes are not necessarily applicable to each state. In particular, the buyer can delete or



**Attorney Docket Number ET00-007CIP****PATENT**

withdraw a request until it is accepted, but once accepted, the request can no longer be withdrawn by the buyer.[Emphasis added]

This makes it clear that the system itself is only reporting on state transitions. It is tracking what the buyer and seller have done in the past, as the description expressly states at Col. 6, lines 19-25:

...the negotiation process can thus be tracked between buyer and seller in constrained environments by providing a framework for progressing through the state diagram of FIG. 2 while also storing the current state of and relevant data for the negotiation [Emphasis added]

The limitations on a buyer and seller are illustrated by the following sample, from col. 4, lines 48-54:

From state 34, the buyer can do one of four things. The buyer can delete or withdraw the request which moves the negotiation back to state 30. The buyer can issue a new request, moving the negotiation to state 36. The buyer can queue the existing request, moving the negotiation to state 38, and the buyer can accept the promise, moving the negotiation to state 40.

Further, Kennedy does not recognize the users as negotiators or recognize one of them as a deciding entity.

Instead, Kennedy is simply monitoring and tracking the state of some very limited communications between a buyer and a seller. Even while describing some of its advantages, this is made apparent at Col. 6, lines 43-50:

The present invention provides numerous advantages over conventional negotiation processes. First, the exact state of the negotiation is detailed in such a way that automated and semi-automated decision systems (such as planning systems, order fulfillment systems, purchasing systems, supply chain management systems, etc.) can work against the alternate state transitions, and deal with the changes in states over time. [Emphasis added.]

This, and similar sections of the specification make it readily apparent that this is a monitoring and reporting system, not a negotiations system.

Attorney Docket Number ET00-007CIP

PATENT

In addition, the system appears to be primarily designed for the use of planners (not negotiators) for order or demand management systems in either a buyer's or seller's organization as seen at Col. 9, lines 57-64:

The Request, Delivery Request, and Item Request structures together model and provide a framework for requests from one site to another. The Promise, Delivery Promise, and Item Promise structures together model and provide a framework for the supplying (promising) site's commitment back to the requesting site. These structures together implement what is traditionally called "Order Management" or "Demand Management." Simplified variations of those structures are often called "orders." [Emphasis added]

As part of this, the Kennedy specification describes some specific formats and types of request, promise and acceptance objects, containing pre-defined fields for data such as quantity, due date, price, etc. If a buyer and seller use these pre-defined object formats and fields, the system can track their communications and feed the specific data into order management or demand management systems. Alternately, as stated above, their correspondence by telephone or fax can be stored in these formats and thus tracked.

The specification states at col. 14, lines 39-41 that "The basic information provided is the state of the negotiation for each order (e.g. whether the order is Requested, Promised, or Accepted)." and, at Col. 14, lines 42-52 that:

Additional information can be provided which is termed "problems". An example problem is an order whose Promise does not match the Request. Another example is an order that is Promised but not Accepted (part of the "basic information" mentioned above). Another example is an order that is not yet promised and is planned but the planned delivery is later than requested. These pieces of information are critical for a human or automated planner to juggle capacities and modify plans in a way that optimizes performance of the supply chain. [Emphasis added]

Attorney Docket Number ET00-007CIP

PATENT

In furtherance of the above statement, the specification describes, at Col. 14, lines 66-67 and Col. 15, lines 1-3:

...types of problems that can be identified. It covers the meaning of each problem, the data used to identify the problem, and where possible the resolution methods by which a human or automated planner could try to eliminate or reduce the severity of the problem. [Emphasis added]

An example of one of the types of problems which the invention can identify is found at Col. 15, lines 10-21:

A "Request Not Planned" problem indicates that the item request was issued after the item promise was offered—and—the `delivery plan` has not been planned to satisfy the item request: either there is no `delivery plan`, or the `delivery plan` is for the older item promise. This Problem will not occur if the delivery request has an infinite `due` Date, the item request is for a zero `quantity`, or the item promise was offered after the item request was issued (or last modified). To resolve this Problem, either eliminate or zero out the item request (unlikely), `offer` a Promise and switch the `delivery plan` to satisfy the promise, or create and/or replan the `delivery plan` to meet the item request. [Emphasis added]

As this example, and the others show, this problem identification is done, for the most part, after the fact, when the negotiation has presumably completed and primarily for the benefit of the planner or demand management system, not the negotiators.

If the planner uses one of the recommended solutions to "fix" the problem, the system will update the problem data, and reflect that, as described in the specification as well, at Col. 18, lines 1-13:

As any change occurs to the data of a Request, Promise, Acceptance, Delivery Request, Delivery Promise, Delivery Acceptance, Item Request, Item Promise, or Item Acceptance, the invention reanalyzes the data and updates the identified problems. Data changes cause some problems to be eliminated and potentially others to be created. The human planner can see these updates in a character-based user interface or a graphical user interface. The automated planner would see these updates by notification of which problems are eliminated and which (if any) are created. For this purpose, the invention has a

Attorney Docket Number ET00-007CIP

PATENT

database of problems and an interface to an automated planner which communicates the stream of created and destroyed problems. [Emphasis added]

Kennedy does state, at Col. 18, lines 14-28 that in connection with such problems, :

Changes can be made at any point in a negotiation, including after the negotiation is traditionally viewed as "complete" (Acceptance is made). After acceptance, the seller and buyer both have the ability to reopen negotiations. The seller is allowed to change the Promise to reopen negotiations. The buyer is allowed to change the Request to reopen negotiations. (The invention allows this, although some applications of the invention may not. In a manufacturing operation, machine breakages and strikes really require that promises be broken. Likewise, a supplier can rarely be rigid with their customers' requests.) When such changes occur, request-promise-acceptance problem calculations can be rerun. However, a locking mechanism can be used to prevent request and promise data from changing and instead reporting a warning if any entity attempts to change such data. [Emphasis added.]

It is clear both from the specification and the claims, that this identification of problem conditions is used to, as Kennedy's Claim 14 puts it "pinpoint mistakes in the negotiation."

Kennedy does not disclose or claim or render obvious a system for processing negotiations, but a system for monitoring state transitions amongst a set of narrowly defined objects.

Kennedy does not recognize the users as negotiators nor does it recognize one of them as a deciding entity. It appears that one primary user of the system described in Kennedy is a human or automated planner and that actual negotiators are simply being monitored by a system in which they can store data or in which data is stored about their actions, which may have taken place by telephone or fax, and not through direct use of the monitoring system of Kennedy (see Col. 4, lines 12-15: "The request, promise

**Attorney Docket Number ET00-007CIP****PATENT**

and acceptance information can also be communicated through other means such as by fax, phone, etc.".)

Applicants respectfully submit that Kennedy is not a negotiations system at all, but, as it says, a framework for a tracking or monitoring system for a very limited set of transaction types related to order and demand management for the sale of goods. Kennedy does not disclose, claim, nor render obvious applicants' invention.

Applicants respectfully submit that all bases for objection and rejection have been overcome and that Claims 2-98 are in condition for allowance. Reconsideration of all the claims is requested. Allowance of Claims 2-98 at an early date is solicited.

Applicants' Attorney respectfully requests that if she can be of any further assistance in putting all the claims in condition for allowance that she be reached by telephone at 508-653-8143 or by cellular phone at 508-308-2109 in order to discuss the application with the Examiner, so that any new objections or rejections may be addressed.

Date: August 20, 2003

Respectfully Submitted,

*Maureen Stretch*  
Maureen Stretch  
Reg. No. 29,447  
26 Charles Street  
Natick, MA 01760

Cust. No. 27,443  
Tel. 508-653-8143